

# **AN ANALYSIS OF A PROPOSED FOUR FIRE DISTRICT MERGER IN ADA COUNTY**

## **STRATEGIC MANAGEMENT OF CHANGE**

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## ABSTRACT

This research project was an application of the first phase of the four phase Change Management Model, found in the Executive Management of Change course taught at the National Fire Academy. In Ada County, Idaho, various fire district chiefs had been discussing the possibilities of a fire district merger for some time, however the problem was that no formal analysis had taken place. The purpose of this research project was to do a formal analysis of this four fire district merger.

Historical, descriptive and evaluative research methods were used to determine (a) what were the organizational conditions, including mission statements, standards, operational procedures or other values that would be impacted, (b) what were the potential destabilizing forces that may exist, (c) what would be the impact of organizational conditions or destabilizing forces, and (d) what the organizational change requirements necessary to make the merger successful would be. The procedures used in this study included historical research methods to study the advantages of fire district mergers, the general effect of change in the fire service and the laws in Idaho that would govern the merger of fire districts. Further, descriptive research methods were employed to study the existing conditions of the districts involved, with the final recommendations reflecting evaluative research.

The primary finding contained in this analysis was that major benefits to taxpayers in increased service levels were possible with no increase in costs. Those service benefits were identified as an increase in staffing and a shift toward specializing chief officer responsibilities. The analysis further revealed that obstacles to the merger from the politicians, chiefs, and others were predictable and must be considered and dealt with through consistent communications. The analysis identified organizational areas that would be impacted and displayed a portrait of the merged organization.

Recommendations resulting from this study were that decision makers consider the advantages of the merger and take the next step as outlined in the Change Management Model, *planning*.

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## INTRODUCTION

North Ada County Fire & Rescue District (NACFR) is a fire district located adjacent to the West side of the City of Boise, Idaho. NACFR protects the incorporated city of Garden City, Idaho, as well as approximately 18,000 acres of unincorporated land in the foothills North of Garden City. Approximately 18,000 citizens are protected from two stations manned by 20 career and 25 volunteer firefighters. NACFR is one of seven fire departments or districts in Ada County, which comprise the Greater Boise area, locally called the Treasure Valley.

These seven departments protect a mix of metro, urban and rural type areas, and are classified as both city fire departments, fire protection districts and in one case, both. Some have career members only, while the smaller departments have a combination of both career and volunteer mixes.

Over the years various mergers of smaller fire districts have been accomplished, however, only to a small degree. The history of our Fire District reveals that at one time we were two districts, the Collister Fire Protection District and the Cole Fire Protection District. In 1967 these two fire districts *merged* to become the Cole-Collister Fire Protection District and in 1994 our name was changed to North Ada County Fire & Rescue District. (Perry, 1998) This name change was prompted by perceptual geographical considerations and did not involve any type of merger or consolidation.

Despite little in the way of fire district merger successes in the Treasure Valley, much talk and discussion has taken place recently on the merits of a merger of four fire districts, ours included. There seems to be a consensus among Chief Officers and Union members of these four departments that such a merger would have merit. A problem facing NACFR and these Districts is that no formal analysis of such a merger has taken place.

The purpose of this Applied Research Project is to use the Change Management Model as found in the National Fire Academy's Strategic Management of Change course, to accomplish this analysis. Historical, descriptive and evaluative research methods were used to answer the following questions:

1. What are the organizational conditions, including mission statements, standards, operation procedures or other values that would be impacted?
2. What are the potential destabilizing forces that exist?
3. What would be the impact of organizational conditions and potential destabilizing forces?
4. What are the organizational change requirements necessary to make the merger successful?

## **BACKGROUND AND SIGNIFICANCE**

During the past ten years, most of the fire districts in Ada County have discussed the pros and cons of some type of merger or consolidation. The reasons for entering into those discussions varied, as some districts faced financial challenges due to annexations by the City of Boise, while others looked at improving customer service delivery and/or reducing costs to taxpayers. Within the past year, four of those districts have seriously discussed the possibilities of a merger. To better understand the players involved, a brief discussion of fire service delivery systems in Idaho, and the specific characteristics of those fire districts involved may help.

Idaho statutes allow for three types of fire service delivery systems:

- Traditional volunteer fire departments comprise a great number of fire departments in our state and are financed by fund raising projects, subscriptions or in some cases solely by

donations. These departments normally do not have any paid staff or paid firefighters, have limited equipment, and are located in rural areas. Management comes in a variety of modes, ranging from an appointed chief to a group of concerned citizens that may have formed a committee.

- Fire protection districts are created by public elections and are a political subdivision of the State. Funding comes from mill levies assessed against property valuations.

(Heffron, 1995) Some fire districts are only volunteer departments, however many fire districts in Idaho contain a combination of career and volunteer members. These fire districts protect rural and urban areas that fall outside incorporated city limits, and can be sizable with considerable equipment and staff. NACFR is a fire district typical of the combination departments in Idaho and the Treasure Valley. Management comes from elected fire district commissioners who are responsible for the fiscal management and direction of the Fire Chief.

- Municipal fire departments are a separate department of an incorporated city and are funded by city taxes. Some municipal fire departments utilize volunteers, however, the majority of city departments are career only. Boise City Fire Department is an example. Management is directly controlled by a city council and mayor.

During the early part of 1998, the chief officers of the four fire districts in Ada County realized that they may have much to gain from a merger of their respective districts. While other fire districts remained interested, their posture during that time was “let’s wait and see”. The four districts involved are:

- North Ada County Fire & Rescue District

A combination department with 20 paid firefighters, 25 volunteer firefighters, 3 chief officers operating out of two stations with a budget of approximately two million dollars.

- Whitney Fire Protection District

A combination department with the same characteristics and size of NACFR.

- Kuna Fire Protection District

A combination department with 3 paid firefighters, 60 volunteer firefighters, one chief officer and a budget of approximately four hundred thousand dollars.

- Meridian Rural Fire Protection District

A combination department with 9 paid firefighters, 20 volunteer firefighters, two chief officers and a budget of approximately six hundred thousand dollars. Meridian Rural is unique in that they share all staff, equipment and budget responsibilities with the Meridian City Fire Department.

Another consideration when discussing the background of this merger analysis is to understand the current and historical significance of the type of mutual contracts and agreements signed between the various agencies. Historically, the fire protection districts and municipal fire departments in Ada County, have utilized *Mutual Aid Agreements* for their mutual benefit. These types of agreements assist each agency when their resources become overburdened during a large incident. They do not involve monetary considerations and contain no specific time limits or renewal dates.

In the past five years or so, more specific contract agreements have been common, with specific sharing of resources being identified to respond to specific areas, prior to the alarm or incident. These *Automatic Aid Agreements* usually involve money or other considerations and contain time elements, usually with annual renewals. (State of Idaho) The trend in our county now is to get away from automatic aid agreements and we recently have gone to *Joint Powers Agreements*. Joint Powers



Agreements (JPA's) allow agencies to outline specific areas that may combine resources, i.e. training, maintenance, purchasing or even personnel for their mutual benefit. JPA's can even cover response areas, as did Automatic Aid Agreements. In each of these three agreements, the agencies involved retained complete political, fiscal and managerial independence.

While "uncharted waters" for the fire agencies in our county to date, two other types of inter-jurisdictional agreements are being explored.

Functional Consolidations are characterized by the participating agencies retaining their political identity, fiscal identity, and usually their governing body (fire commissioners).

Resources may be commingled as can administrative personnel (chief officers). District lines may be eliminated with closest engine responses improving customer service delivery.

Functional consolidation allows for a large degree of autonomy retention while providing for a melding of functions such as training, maintenance, and equipment testing. Economy of

purchasing is another example of the benefits of a functional consolidation. ( Snook,

Johnson, 1997)

- Political Mergers (total merger) involve merging the respective agencies into a new identity complete with new commissioners, a single management team and the integration of its members into the new organization. The benefits of such a merger include all the benefits of a functional merger plus possible financial advantages of a larger fire district. The new organization may carry forward existing debts, however, that is one of the few areas that survives a total merger.

The significance of a potential fire district merger in Ada County is tremendous. Historically, mergers and consolidations of fire districts and departments across the country have had a major impact

on fire service delivery. On the private side, mergers and consolidations have been an integral part of our county's corporate character for over a century. By the 1970's the corporate merger wave was in full swing, with periods of ebbs and flows since that time. (Boesky, 1985) Why has the private sector been so active in the merger arena? Surveys reveal a mixed bag of motives, ranging from lofty financial aspirations to corporate stability. Some specifics, however, may include:

1. *Synergy*. The whole is greater than the sum of its parts. One partner's skills and knowledge are applicable to the problems and opportunities facing others.
2. *Economies of scale*. Long term costs can be reduced through economies of scale of production, R & D, promotion, distribution, and other areas.
3. *Milking cash cows*. Divisions with cash surplus can furnish funds to other divisions short on funds, eliminating borrowing costs or high interest rates.
4. *Risk pooling/Financial health*. Larger financial operations many times can lead to a financially healthier company, reducing its bankruptcy potential.

(McQuown, 1983)

The significance of "corporate merger mania", considering its application to the fire service, is substantial. Many of the reasons for the private sector's interest are directly applicable to the fire service. Considering the corporate examples above, it's clear that the fire service can and has, gained from the same benefits as its corporate brothers. The Chief Officers of the fire districts in Ada County have watched and read about, the successful (and sometime otherwise), mergers of other fire districts in the Pacific Northwest. The basic concepts that make mergers attractive for the private sector have had

an appeal to the local fire districts as well. We have watched and observed many mergers take place in the West. Several examples include:

One of the largest and perhaps most successful consolidation of fire departments would be the Los Angeles County Fire Department (LCFD). Formed in 1949 by the merger and consolidation of over 10 independent fire districts, the LCFD began successfully merging additional municipalities and districts into the Department. Today, the LCFD serves 52 of the 88 cities within Los Angeles County and protects a population of over 3.2 million. (Snook & Johnson, 1997) On a smaller scale, but no less successful, three fire districts in the Portland, OR area merged into the Tualatin Valley Fire & Rescue. Through those consolidation efforts, they have increased services to the taxpayers while reducing taxes by 50%. (Snook & Johnson, 1997) We have seen many other mergers in California and Washington, most of which were quite successful.

Despite all the discussions and well meaning of those involved, a formal study of a specific merger between the four most interested fire districts, in our area, has yet to take place. This applied research project is an attempt to address this problem prior to any formal presentations to the political entities of those districts. The analytic process found in the National Fire Academy's Strategic Management of Change course lends itself well to this analysis. The Change Management Model in this course contains four phases to manage change. The first phase, Analysis, was utilized for this project.

## **LITERATURE REVIEW**

### **Review of influencing factors - Does a merger make sense?**

Prior to the decision to study or make an analysis of a merger in Ada County, an understanding of the advantages of such a merger should be acknowledged. While all fire departments have special

characteristics or unique features, the fact is that most departments share common goals, a basic character, and are faced with the same problems and challenges now in the late nineties. A comment by Floyd Pittard, then Operations Chief of Tualatin Valley Fire & Rescue, while on the surface seems simplistic, is actually quite true. “Merger or consolidation will proceed only if the need has been made apparent.” (1990)

Snook and Johnson, (1997) suggest that there are two areas that illustrate indicators for some type of cooperative effort between two or more (fire) organizations. They are:

- duplication of services, either by function or by geographic location
- cost comparisons that illustrate a drastic difference in total costs of fire protection for providing similar services

Snook and Johnson, (1997) go further by stating that other elements may be present that are further indications of potential merger advantages. Those are:

- services or service levels that are drastically different between agencies
- potential loss of revenue through statewide referendums (or other sources)
- lack of community support
- threat of a “hostile” takeover either by another government agency through annexations or the privatization of fire service operations
- retirement of a key administrator or chief officer
- change of elected officials
- labor issues
- concerns over ISO ratings
- service deficiencies

- long response times

Others have articulated the substantial advantages of mergers or consolidations in different terms. For example, consolidations can work to overcome political boundary issues, thereby, ensuring the closest engine response times. Consolidations can provide for an expanded tax base, reduce redundancy in apparatus, equipment, personnel, eliminate turf and tax conflicts, and can eliminate the duplication of facilities and services. The planning process itself may identify areas of costs savings not foreseen at the outset. (Campbell, 1994) If merging agencies can reduce costly redundancies, the savings may be returned to the public by either improving services and or lowering taxes. (Weiss, 1998) Another area that would benefit from a consolidation or merger of services, is the special rescue teams and hazardous materials response teams that have become costly to operate. While a large expense for a single agency, with an increase in budget size, these special teams become less of a budgetary burden. (Coffman, 1994)

A clear summation regarding the benefits of fire district mergers was written as part of an editorial appearing in Boise's newspaper, The Idaho Statesman, August, 1998. "Consolidation of fire services has a great potential to improve service, lower taxes and insurance rates and give the county residents the peace of mind they deserve." (1998)

### **Impact of change in the fire service**

Any merger or consolidation of fire districts in Ada County will involve a considerable amount of the dreaded ..... *change*! A scary and misunderstood word in the fire service, which has prided itself with strong traditions for decades. Change has come slowly to us, however, the change curve has increased its slope dramatically in recent years. The Federal Emergency Management Agency (FEMA) gives us four examples:

Technological - The trend toward incorporating electronic and computer technology is having a dramatic impact on the fire service. Computer aided dispatching systems not only improve the response times for calls, but identify the most efficient allocation of resources given the circumstances. Laptop computers give us access, building structure, HAZ MAT, maps, and other pertinent information with a push of a button. Additionally, we now have access to vast amounts of information via satellite communications and the Internet.

Societal - Cultural diversity and shifting social values are creating a dramatic change in the fire service. Historically, a white male dominated occupation, the influx of women and minorities into the profession is forcing departments to re-evaluate and modify their selection procedures, organizational places, and physical building layouts. These changes are bringing forth significant issues such as sexual harassment, family leave, and discrimination. Increased health hazards are sparking dramatic policy changes when responding to medical calls with potential exposure to contagious diseases.

Economic - More and more the public is demanding that the public sector evaluate how it does business. The fire service is still considered “heroes”, but we no longer have an open check book. The economic facets of operating a business in the private sector are becoming increasingly important in the public sector. Budget cuts, down sizing, and competition from the privates are the norm these days. The public is telling us, to be efficient, by maximizing resources and giving the most bang for the buck!

Legal/Political - Nationally, legislative changes have had a dramatic impact on the fire service. The Americans with Disabilities Act (ADA) and OSHA regulations are dictating changes in our policies and SOP's. Regionally and locally, new regulations and ordinances have had quite an impact on how we do business. (FEMA, 1996)

As stated, the fire service is experiencing change at a pace never before experienced. When considering a four fire district merger, we must realize that the effect of such a change on personnel would be dramatic. Fire agencies, as their corporate brothers, should anticipate change and adapt in advance of the event that necessitates the change, and in advance of competitors. Unless this is done, the change will occur under crisis conditions - the very situation we seek to avoid. (Williams, 1991)

Effective organizational change begins with some form of problem-identification process, designed to determine what is wrong, or what can be done better to improve products or services. If this process isn't performed formally by management, it will be conducted informally by the membership, the community, or higher jurisdiction. (Frost, 1993)

Pritchett (1994) articulates the following:

What would we expect of our employees during this process? Not blind loyalty.

We have learned that the world puts hard limits on how loyal the organization can

be in return. Loyalty can get lazy, or be misdirected and actually cause big problems.

Should we shoot for high morale? Again, the answer is no. High morale can be an unrealistic goal, given the uncertainty, stress and negative emotions. In reality, morale may not be as important as *results*! When making choices between what's best for the organization, or keeping people happy, the organization had better come first. Performance is what pays the bills. Not Loyalty. Not Morale. During the process of major change, high job commitment should be our priority. Would it be unfair to ask for high commitment under these conditions? It would be unfair not to. Commitment can

be self-nourishing, give meaning to work and deepens one's sense of self-worth. It

offers the best benefit for the employee and at the same time, strengthens the organization.

Getting employees to commit to performance involves good management and leadership skills.

How to develop those skills would not be appropriate for discussion in this project.

In summary, change has come to the fire service. If we are to progress and to continue to serve the public with the best and most efficient emergency services possible, all options available must be explored. This would include but is not limited to mergers with other fire districts.

### **Review of state statutes relating to fire district mergers.**

A review of the Idaho State law reveals several statutes that empower fire districts to enter into contractual agreements that provide for mutual/automatic aid agreements, joint powers agreements and other cooperative agreements. (Idaho Code, Title 31, 1985) Under this code, fire districts have the ability to enter into cooperative agreements that enable them to share resources, personnel, equipment, or facilities for the protection of either of the contracting parties. Monetary consideration may or may not be a part of these contracts.

Further research revealed laws enabling fire districts to consolidate or merge with other fire districts. (Idaho Code, Title 31, 1997) This code summarizes the process of fire district consolidation, covering public notice, financial matters, commissioner elections, terms, and other matters pertaining to the merger process. The important issue here is that Idaho State law give fire districts the ability to merge!

## **PROCEDURES**

### **Definition of terms**

*Functional consolidation* has been defined and discussed in a previous section, as has *mutual aid, automatic aid, and joint powers agreements*.



The terms consolidation and merger have similar meanings, however they are actually different. A consolidation involves one or more agencies being “taken over” by another agency. The larger agency usually becomes the surviving entity, with its name and most of its character remaining intact. A merger involves two or more agencies “melding” or forming a new district, usually with a new name and the formation of new commissioners, chief officer, policies and procedures. In essence, a merger creates a new fire district, while a consolidation takes in or assimilates other districts into the larger agency. Many times these terms are used interchangeably, as research revealed that the literature studied confused the terms. This research project will deal with the study of a merger.

### **Research Methodology**

The goal of this applied research project was to do an analysis of a proposed four fire district merger in Ada County. The analysis format is the first section of the four part *Change Management Model* found in the Strategic Management of Change course at the National Fire Academy. Toward that goal, historical research methods were used to study the advantages of mergers and consolidations, the historical effects of change on fire organizations, and the laws in effect in the State of Idaho that may allow for mergers to take place. Descriptive research methods were also used to show the current status of the four fire districts involved, with the end recommendations reflecting evaluative research methodology.

In addition to the literature review, information was gained from municipal and district fire officials, union members, and volunteer or paid on call members, all of which contributed to the understanding of the character of the fire districts being studied. Idaho State Codes, City Ordinances and City Resolutions, Tax Certifications, formal agreements and contracts were researched. The research was conducted during the winter of 1998 and 1999 from Garden City, Idaho.

### **Assumptions and Limitations**

The assumption is made that the fire district commissioners and officers want to provide the most efficient and effective fire protection for their communities. This assumption is the impetus for this project.

It should be understood, however, that there are factors at work that may be outside the scope of what is most efficient and effective. Political barriers and fears are real and their impact on any type of merger is unknown at this point. Another limiting factor is that, except for some general background information, this study focused on four specific fire districts and the results may or may not be applicable to other fire districts or departments.

In the Strategic Management of Change course, the four phases of the Change Management Model are: Analysis, Planning, Implementation, and Evaluation/Institutionalism. This project only deals with the Analysis phase and by definition is limited to that portion of the change model. To do a complete merger feasibility study, the second module, Planning, would also have to be completed. The Analysis phase by itself has considerable merit and should be considered prior to embarking on the other change management models.

Information gained to make comparisons of the four fire districts' resources, customer mix, financial status and other comparative factors was obtained through informal discussions with other district chief officers. In addition to these discussions, written information dealing with organizational issues and financial data was provided. In the spirit of this study, this information was readily obtained.

## RESULTS

### **Answers to Research Questions**

Research Question 1. *What are the organizational conditions, including mission statements, standards, operational procedures or other values that would be impacted?* To answer this question and others following, descriptive research methods were employed to compare the four fire districts.

Overall, it can be said that the four fire districts are similar to each other in general characteristics. However, each has its own uniqueness that should be considered. Some of the characteristics that make the four districts similar are as follows:

1. Each district has three fire commissioners, a chief and at least a training officer to complement its administrative staff.
2. Each district is a combination department, i.e. suppression personnel are comprised of both paid and volunteer members. All paid members of these departments are union firefighters.
3. All four districts are currently being impacted either by annexations from an incorporated municipality (NACFR, Whitney and Meridian Rural) or by rapid growth of a city (Kuna).
4. Each district shares fire and EMS dispatching services from a single County Dispatch Center.
5. All four districts are currently operating under an existing mutual aid agreement.
6. Each district has adopted the 1997 Uniform Fire Code and have no special

city ordinances or city resolutions added to the code that affect enforcement.

7. All four districts respond to fire, EMS and rescue calls. All paid members are EMT trained at a minimum.

Even the mission statements of three of the four districts are similar in nature (with the fourth not having a mission statement at this time). The mission statements are shown in their entirety as Appendix A.

Despite the similar general characteristics of these departments, two dissimilar characteristics are evident:

1. The Meridian Rural Fire District shares its paid and volunteer personnel, Chief, living quarters, and all equipment with the City of Meridian. The formula for the splitting of costs between the two agencies is outlined in a joint powers agreement in which population, tax values and run volume all play a part. Currently that formula provides for 30% of costs to be paid from the “District” and 70% from the “City”.
2. The Kuna Fire District has a transport ambulance and its members are trained to an Intermediate EMT level. While the rest of Ada County relies on the Ada County Paramedics for ALS and transport services, Kuna does occasional transports with BLS patients. Ada County Paramedics also respond to the Kuna area creating occasional turf battles. That is another story.

A look at the organizational conditions that would be impacted by a district merger follows:

*Organizational Structure* - The organizational structure of the four districts varies somewhat. NACFR and Whitney share a common organizational structure, while Kuna and Meridian are somewhat different. Kuna is a smaller organization from a full time employee perspective and has a significantly larger volunteer force. Meridian is somewhere in between. The organizational charts found in Appendix B provide a clear picture of the organizational structure of each of the four districts.

*Stations and Apparatus* - Both the NACFR and Whitney districts are similar in that they respond from two stations with similar engines. In addition, they both have 50' telesquirts, wildland squads, a water tender, as well as other types of apparatus. Kuna and Meridian Rural districts each have one station, with similar engines, squads and water tenders. A comparison of stations, numbers and types of apparatus is summarized in Appendix C. (Ada County Fire Chiefs, 1998)

*Manning Levels* - NACFR and Whitney run three member engine companies, supported by their volunteer members. On single engine responses or medical calls, the empty station is covered (whenever possible) by volunteers manning a second or reserve engine. On working fires, all members, paid and volunteer are encouraged to respond. Kuna is dependent on their larger volunteer membership, with days staffed by one or two paid members taking the first out apparatus, followed by volunteer support. Meridian Rural/City is staffed with three members most of the time. They, however, have not yet been able to constant man with three firefighters. They also utilize their volunteers to a high degree and are dependent on mutual aid for working structure fires. Manning levels are summarized on Appendix C.

*Policies and Procedures* - Each of the districts have their own policies and procedures that invariably would be different. The large volume of material would be inappropriate to examine here, however it is important to identify that this process would be mandatory prior to any merger. One set of

policies and procedures would have to be ironed out and melded into a single set of documents. Due to mutual aid and other agreements coming into being in the last few years, all the districts have found common practices and procedures on the fireground. As an example, only ten years ago, NACFR used a different command system than the other fire departments in Ada County. We used Brunacini's *Fire Command* as our command system, while other departments used the new ICS system developed in California. Other departments did not have a formal command system ten years ago. Today, all fire departments in Ada County use the Incident Command System as taught at the National Fire Academy. While individual policies may differ between the districts, the way we fight fires, our procedures, are very close!

*Financial Condition* - The four districts vary in their financial condition. NACFR and Whitney are similar in total revenues, expenses and they share potential future revenue reductions due to Boise City annexations. In addition, these two agencies have a significant investment fund for future stations or other financial needs that may arise in the future. Kuna is considerably smaller and is suffering from rapid growth, having difficulty keeping up with service delivery. Meridian Rural is unique, as it shares financial responsibility for fire protection with the City of Meridian. A synopsis of the financial positions of the districts may be found in Appendix D.

In summary, while there are some differences in the four districts, they are similar in their general characteristics and organizational conditions. The preceding areas reflect the organizational conditions that would be affected the greatest by a district merger.

Research Question 2. *What are the potential destabilizing forces that exist?* Following the Change Management Model, certain destabilizing forces exist that must be identified and overcome

prior to any successful merger or major organizational change taking place. Destabilizing forces to be considered in this four district merger fall into several categories:

Political - One of the major player groups that must support a district merger are the fire commissioners from each of the districts involved. It is their vote to merge that enables the process to proceed. Even with substantial reasons supporting a merger, the politicians may not vote for the merger due to either turf or self interest reasons. The reasons for fire district commissioners running for the office should be understood. If serving the community in the best possible way is their major consideration, then supporting a merger is likely if valid and supportive justifications are made. Many times, though, the reasons for being a commissioner deal with power or financial considerations. These commissioners will be more difficult to persuade, as they may cling to their cause no matter what is best for their communities. In any case, the best means of overcoming political objections to a merger is through communication with the commissioners early on, providing accurate and complete data that supports the merger's benefits to the community.

Administrative - Chief officers can be another destabilizing force. Like most of us, the Chiefs involved will inevitably ask the big first question: "What's in this merger for me?" This is human nature and should be dealt with by assurances that the chief officers will not lose their jobs. The premise that all chiefs will survive the merger should be stressed. The decision of who will assume what position in the new organizational chart should be made only at the last minute. The conceptual support for the merger from the chief officers should come first. Communications during the merger process between the chiefs involved is paramount. The buy in of the overall and specific benefits to their respective departments having been accomplished, the destabilizing forces of chief officers will be kept to a minimum.

Union/Volunteer Membership - As with the groups previously discussed, members of these organizations must be kept informed and brought into the merger discussions. Their feeling of being a participant in the change process or of contributing to the end result will go a long way in reducing destabilizing forces. Conversely, if they are ignored or not brought along step by step, they could derail the merger. As with the chiefs, they will be asking what's in this for them. These questions must be answered. While it may be impractical to discuss the step by step process with all the members, a representative from each group could be named and brought into the discussions.

Legal - Unlike the preceding, which are individuals or groups that could be destabilizing forces, legal ramifications should also be identified. Do the statutes in Idaho allow for fire district mergers and, if so, what is the legal process that must be followed? Is a public vote from the district citizens required? All of these types of questions must be asked and answered. An attorney to consult on these matters would be an important step.

Research question 3. *What would be the impact of organizational conditions and potential destabilizing forces?* The impact of organizational change would be substantial. In those areas where policies, standards and procedures are similar, little impact would take place. However, there exists several areas where these kinds of differences would have a large impact and they must be addressed. Some examples are:

- The financial condition of the districts involved would have perhaps the largest impact of any single area or category. Each of the Districts' revenue and expense statements would be combined, with a new mill levy applied to maintain operational levels. The elimination of duplicate personnel or operational expenses would be affected and new expenses identified and calculated. Salaries, including benefits, would need to be standardized and most likely be figured at the highest levels. An effort



should be made to not decrease the compensation of anyone. A proforma financial plan, including projected revenues and expenses for the new district may be found in Appendix F. This proforma was created making several assumptions. Salaries would be based on the highest of any of the Districts, a mill levy was used that reflected an average of the Districts, and expenses were obtained from historical data. A five or ten year financial projection would also be necessary to show any possible financial gains stemming from the merger, however has not been included in this analysis.

- The impact on the fire district commissioners would be immediate. Law in the State of Idaho governs the number of fire commissioners that may serve a district. That number has risen from three to five during the legislative session in 1998. The merger of four districts would mandate the number of commissioners be reduced from 12 to 5, assuming that the new district would opt for the largest number. New sub-districts would need to be established. Hard decisions would be made as to who would oversee the new district as fire commissioners.

- The impact of the merger with the Meridian Rural Fire District, as they have a contract with the City of Meridian to share resources, equipment and personnel, would need to be looked at closely to determine how it could be absorbed into the new district. Could the agreement simply be modified to reflect the same financial considerations but changed in that resources would no longer be shared? Would the new district take any personnel? Equipment? Considerable time and effort would have to be spent in researching solutions that would mitigate the obstacles created by this change.

- Staffing levels and station locations may be impacted and a formal station plan must be worked out. This plan would include current and future station locations, EMS delivery systems, consideration of transport services, volunteer coverage and other areas of a similar nature.

- Policies and SOP's would be impacted and while not significantly different, would need to be combined into one set of documents.
- A single Union contract would need to be negotiated. Prior to the merger, Union support would need to be obtained, making this task easier. Again, with no reduction in compensation being proposed, most members would stand to gain from the merger.
- The volunteer associations may be impacted, with decisions made as to the character or organizational structure of the surviving associations. Would they be combined into one volunteer organization? Remain separate with respect to original districts? The impact of the merger would dictate considerable work to be done in this area.

Research question 4. *What are the organizational change requirements necessary to make the merger successful?* Again, the Change Management Model was used to identify the change requirements necessary to make the merger successful. That model lists three categories to determine the organizational change requirements.

#### Perspective of change

There are three “primary perspectives of change”, those being: developmental, transitional and transformational. Of these three, the transformational perspective is the most appropriate as the scope and magnitude of a four district merger would mandate a complete transformational change! As stated in the student manual Strategic Management of Change taught at the National Fire Academy (FEMA, 1996): “The transformational perspective envisions a radical re-conceptualization of the organization’s mission, culture, critical success factors, form, leadership and/or other defining characteristics of the organization”. While a formal definition, it’s exactly what must take place to make the merger

successful. The key here is that all groups involved must make a long term commitment to the new organization's goals, beliefs and systems.

### Magnitude of change

The magnitude of change must be identified in determining the organizational change requirements. To be successful, the pace, scope and depth of the change requirements must be looked at. Considering the first component, pace, the question of how fast should various aspects of the merger take place must be addressed. Clearly, the transformation of a new fire district will not automatically happen when commissioners vote to merge. Certain aspects of the merger will change immediately, some fairly quickly, some more slowly. A plan must be put into place that identifies the timing of changes and the consequences of that timing. The willingness or commitment of the groups involved will have some impact on how quickly the transformational process will take place. The second component, scope, is similar to the third component, depth. Do we start small or go big immediately? What components of the new organization need to be changed, and how soon, must also be considered. The third component, depth, dictates how much of the four districts will be changed. In our case for a complete merger of the four districts, the depth of change will go from top to bottom. While many of our policies and standards are similar, very little will be unchanged in some way or another. As with the need to identify when the changes will take place, what areas will change, must also be considered.

### Objects of change

Objects of change are those elements of an organization that will be changed and can be categorized into three groups: task behaviors, strategic direction and organizational culture. Task behaviors of the line personnel will change little; as the way our firefighters fight fires and respond to

medical or rescue calls is fairly standard throughout our county. An exception would be the possibility of adding a battalion chief to the new organization, a position not previously enjoyed by any of the smaller districts. At the administrative level, however, task behavior of chief officers may become more specialized. Currently, in our smaller organizations, chiefs must wear many hats and assume several areas of responsibility. With a larger organization, chief officers can be more specialized, with areas of responsibility being narrowly defined. Strategic direction is a more nebulous concept, however it must be well planned and implemented. The newly merged district must set long term goals and have a definitive road map of where it is going and how it will get there. That new direction may be significantly different from any of the smaller districts' previously defined long term goals. Organizational culture will change by nature of its new size, including the possibility of the addition of a battalion chief. A proforma organization chart to assist in visualizing the new organization, can be found as Appendix E. Members will identify with a larger fire district and be encouraged to embrace or adopt the new goals and direction of the district.

## **DISCUSSION**

The literature review suggests that there are many possible advantages to the citizens, fire districts and the members who work in these districts, for a fire district merger in Ada County. Those advantages can be divided into two categories: one being a reduction of costs for emergency services and the other being an increase in emergency services for the same cost. It seems the primary advantage for the merger of these four fire districts would be an increase in services, with a side benefit to one district being a reduction of costs coupled with an increase of services. A brief review of the service increases that would be created by such a merger would include:

- The addition of a three member engine company for the Kuna station, which currently has one or two members full time, backed by volunteers.
- The addition of a battalion chief for the new district. Currently, command officers are Deputy Chiefs or Chiefs that respond from home *when available*.
- Standardization of training for both paid and volunteer members. The creation of a full time training office position with staff.
- An enlarged prevention department.

Another advantage for the districts involved would be a pooling of investment funds that would assist in offsetting the impact of Boise City or Meridian City annexations. It's the bigger can being stronger theory. This financial advantage could convert to service delivery continuation safeguards. Very important! Also, NACFR taxpayers would benefit from the above advantages and they would be able to reduce their mill levy from .0024 to .0018. A strong case can be made for increasing services and lowering costs. While not specifically addressed, the cost savings of quantity purchases, secretarial efficiencies, and the long term effect of the consolidation of chief officers, are areas of cost savings to the taxpayers of each district. An indirect cost savings may come from a probable lowering of the ISO rating in two of the four districts, with the possibility of all the districts benefitting from a lower rating.

The impact of the changes that this merger will have on personnel must be carefully considered. Communications should be continually made, both upward and downward. The "troops" must accept and embrace the new organization and its goals. To accomplish this, they should understand the process and the ensuing end result. The short and long range benefits to them should be understood, as well as the benefits to the taxpayers, and the new organization itself. The same can be said for the

politicos, (commissioners) for without their support and participation, the benefits of a merger will not be realized.

The organizational chart in Appendix E reflects a larger department with more specialists in charge of specific departments. Rather than four chiefs being responsible for all aspects of their departments, we see divisions of responsibility in the merged district. For example, most operations would be controlled by battalion chiefs, training by a training chief with a staff, and the same with fire prevention. This type of organization would free the fire chief from much of the day to day responsibilities and enable him to concentrate on planning, legislative and legal issues, relationships with adjacent departments, and other similar types of duties. The organizational culture of the new district would transform over time due in part to its new size and organizational structure.

The impact financially to the districts would be substantial. Overall ad valorem property taxes would be increased due to the addition of the Meridian Rural Fire District to the group, with little or no addition of the staffing associated with that addition. Meridian City would assume the burden of staffing and providing one station that would continue to cover a portion of the Rural District. The remainder of the old Rural District would be protected from a station relocation that would be strategically located to protect a portion of the old Whitney, Kuna, and Meridian's Rural districts. In essence, the merger would take advantage of erasing existing district boundaries and covering the new district with the most efficient coverage possible. Additional tax moneys would be realized by the addition of the Meridian Rural with almost no additional cost of operations. A proforma statement of revenues and expenses for the proposed merged district is shown as Appendix F.

Obstacles or destabilizing forces to a merger of this magnitude, could come from several sources. The primary destabilizing force might be the fire commissioners, who have the power to vote

for the merger. The commissioners have a personal stake of remaining a commissioner, and the merger would eliminate or reduce the numbers of commissioners from twelve to five. Granted, the monthly pay is nominal, however insurance benefits can be quite a consideration. Also, the prestige factor is real. People do not usually want to give up power or their perceived positions in their community. Another concern to the commissioners may be the elimination of a local identity. Becoming a larger “county fire district” may not be as appealing as continuing to be the “local fire department”. Other groups that could be destabilizing forces are the staff and the line personnel. As previously discussed in the research questions, these groups must be assured that their future and position in the new district is secure and would contribute to the new organization’s goals and mission. The literature review has taught us that the legal hurdles for this merger are minimal. A clear path is outlined in the Idaho State Statutes, that allows for the district merger. After a public notice in the local newspaper, the fire commissioners of the districts that are involved, have the power to vote for the merger. If there is opposition created by the public notice, again, the legal proceedings are clear on how to schedule an election that would finalize the merger proposal.

## **RECOMMENDATIONS**

The primary recommendation resulting from this research project, is that the Change Management Model continue to be used as a tool in the process of a fire district merger study. This research project was only the first step of a four step process to effect change. The analysis portion, however, is an important first step. For the merger to happen, the other three steps, including phase two (planning), phase three (implementation), and phase four (evaluation), must also take place. It is recommended that, in lieu of the general discussions by the various chief officers that a merger would be a good thing, this formal analysis be used as a model to begin to effect the change. Information

contained in this research project should be used by the administrators and the elected officials in their decision making process. This study, while leaning toward the advantages of a merger and outlining the obstacles to it, presents in a single format some of the major considerations that should be weighed.

This research does show that significant advantages to the district taxpayers, in increased emergency services, can be implemented at no increase in costs and in one instance, a decrease in cost. It further outlines destabilizing forces that may be impairments to the merger and offers solutions to overcome those obstacles. This research project also identifies the future organizational conditions that would be impacted and offers a “picture” of the new organization.

The author recommends that the decision makers, comprised of volunteers, union members, administrative staff personnel and commissioners, identify that a merger would result in benefits to the public and the members of their respective fire districts alike.

It is further recommended that these decision makers pursue the next phase of the Change Management Model, *planning*, with the goal to effect the transformation of these four small fire districts into a larger more efficient fire district. The result will be an increase in emergency services for all of our citizens that can be sustained well into the next century.



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**Appendix A****MISSION STATEMENTS****NORTH ADA COUNTY FIRE & RESCUE DISTRICT**

The “North Ada County Fire & Rescue District” exists to provide efficient service, in the areas of fire suppression, fire prevention, public education, and the highest quality of emergency medical care and rescue service possible, and to prevent or minimize the loss of life and property from fire, disaster and other hazardous situations, consistent with the resources provided as desired and dictated by the citizens and elected officials of the district.

**WHITNEY FIRE PROTECTION DISTRICT**

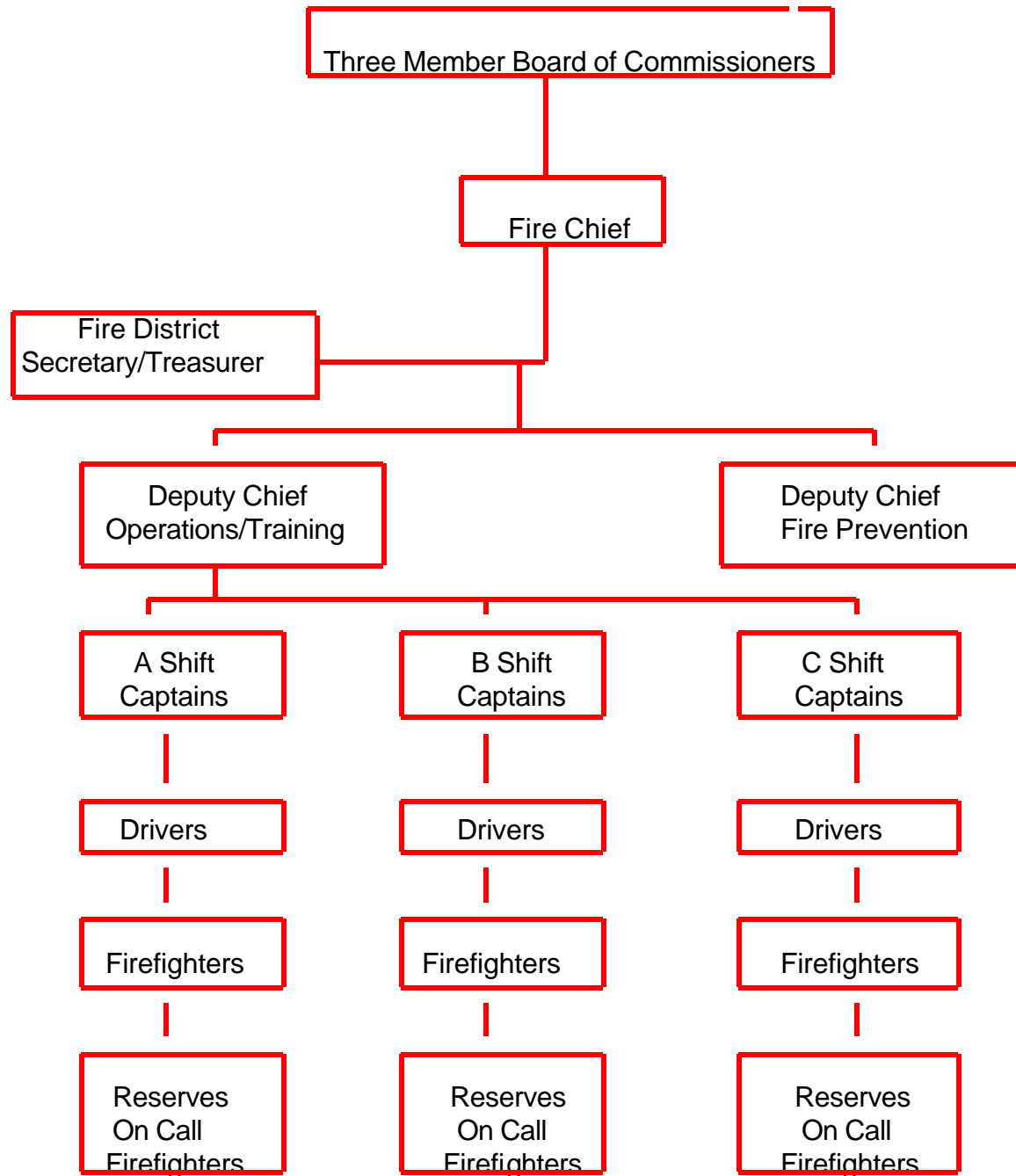
The mission of the “Whitney Fire Protection District” shall be to minimize the loss of life and property due to fire, disaster, medical emergencies, and other catastrophes.

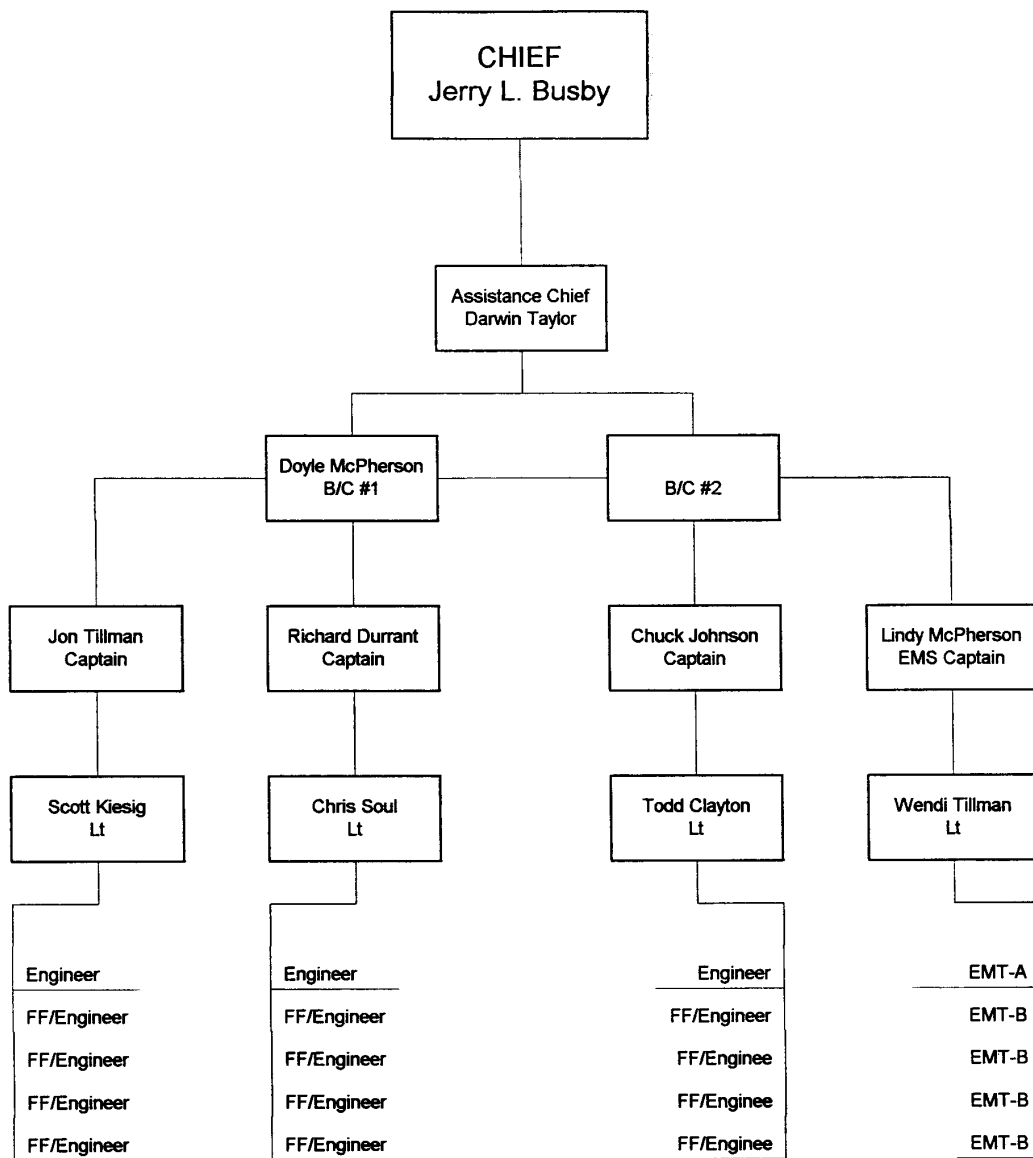
**KUNA RURAL FIRE DEPARTMENT**

The “Kuna Rural Fire Department” shall provide professional aid in fire, medical, rescue, and environmental protection services. We shall utilize our skills, training and equipment to proceed in the most efficient manner possible, and to ensure care and safety to all.

**MERIDIAN RURAL FIRE DEPARTMENT**

No mission statement.

**APPENDIX B****NORTH ADA COUNTY FIRE & RESCUE DISTRICT**



MERIDIAN CITY/RURAL FIRE DEPARTMENT

ORGANIZATIONAL CHART

DISTRICT/RESIDENTS / *City Residents*

ELECTED FIRE COMMISSIONERS / *City Council*

FIRE CHIEF

ASSISTANT FIRE CHIEF - FIRE MARSHAL

PROFESSIONAL FIREFIGHTERS

VOL. ASSOC. EXEC. BOARD

VOLUNTEER FIREFIGHTERS

## APPENDIX C

APPARATUS & STAFFING  
APPARATUS

DISTRICT	STATIONS	ENGINES IS/R	AERIALS	SQUADS
NACFR	2	2 / 2	1	2
WHITNEY	2	2 / 1	1	4
KUNA	1	2 / 0	0	2
MERIDIAN	1	2 / 2	0	2
	TENDERS	RESCUE	COMMAND	
NACFR	1	1	1	
WHITNEY	1	0	4	
KUNA	2	1	1	
MERIDIAN	2	1	1	

## STAFFING

DISTRICTS	ON DUTY PER STATION	PAID F.F.	CHIEF OFFICERS	TOTAL VOLUNTEERS
NACFR	3	20	3	25
WHITNEY	3	20	2	20
KUNA	2 / 1	2	1	60
MERIDIAN	3 / 2	9	2	20

## APPENDIX D

## ACTUAL FINANCIAL CONDITION 1998

## NACFR

Tax Revenues	1,754
Other	224
<b>Total Revenues</b>	<b>1,978</b>
Personnel Expense	1,830
All Other	325
<b>Total Expenses</b>	<b>2,155</b>
Investment Fund	2,300

## WHITNEY

Tax Revenues	1,708
Other	356
<b>Total Revenues</b>	<b>2,064</b>
Personnel Expense	1,612
All Other	452
<b>Total Expenses</b>	<b>2,064</b>
Investment Fund	2,450

## KUNA

Tax Revenues	444
Other	32
<b>Total Revenues</b>	<b>476</b>
Personnel Expenses	147
All Other	329
<b>Total Expenses</b>	<b>476</b>
Investment Fund	-0-

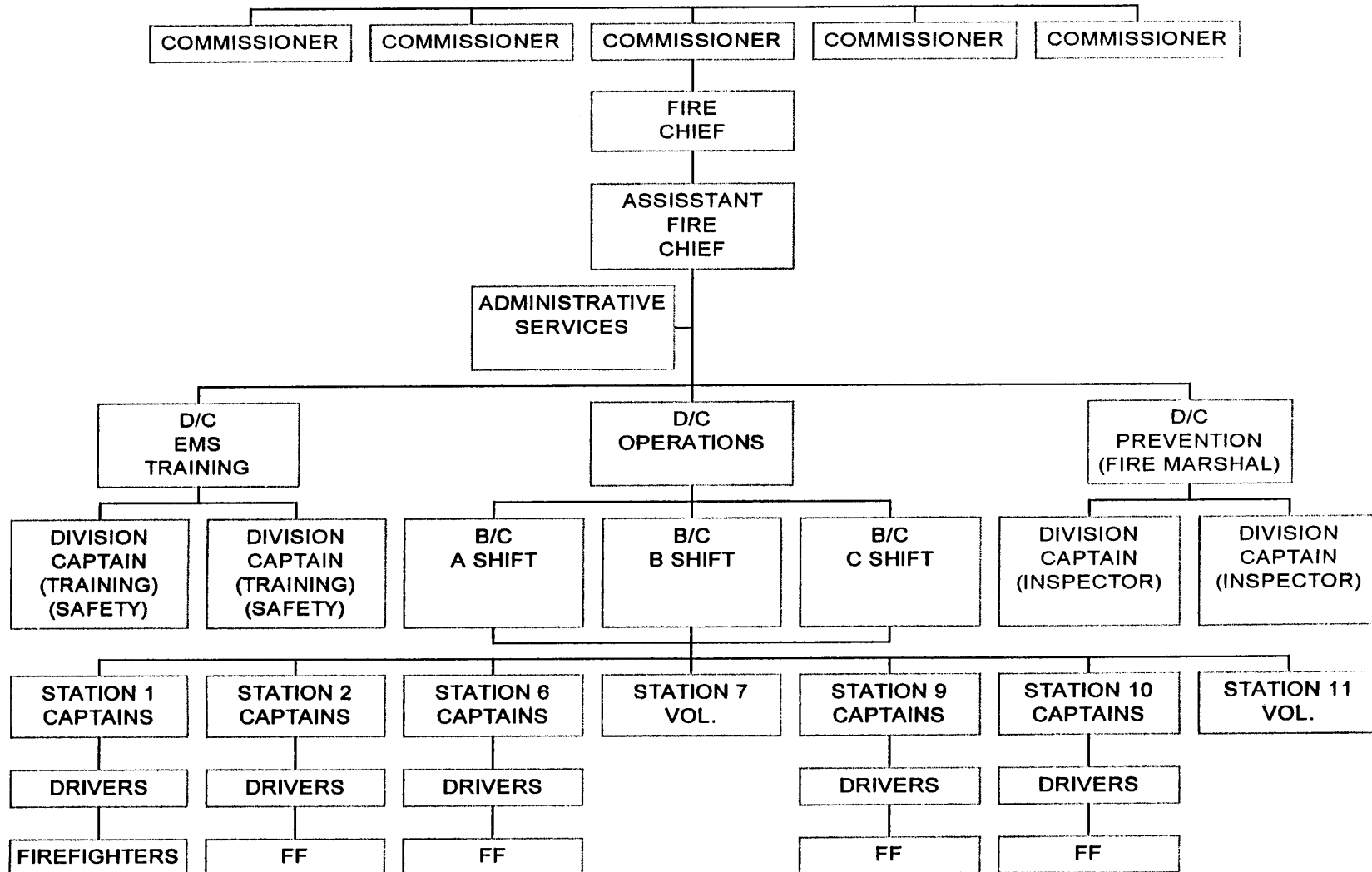
## MERIDIAN RURAL

Tax Revenues	632
Other	10
<b>Total Revenues</b>	<b>642</b>
Personnel Expense	512
All Other	128
<b>Total Expenses</b>	<b>640</b>
Investment Fund	-0-



# ADA COUNTY FIRE & EMERGENCY SERVICES

## FIRE - RESCUE - EMS



## APPENDIX F

**FINANCIAL PROFORMA - MERGED DISTRICTS**  
**2000 - mill levy = .0018**

<b>N A C F R</b>	Tax Income	1,431,000
	Sales Tax	105,000
	Interest	<u>130,000</u>
	<b>TOTAL</b>	<b>1,666,000</b>

<b>K U N A</b>	Tax Income	588,774
	Ambulance & Miscellaneous	<u>40,000</u>
	<b>TOTAL</b>	<b>628,774</b>

<b>W H I T N E Y</b>	Tax Income	1,782,000
	Sales Tax	60,000
	Interest	130,000
	Contracts & Miscellaneous	<u>50,000</u>
	<b>TOTAL</b>	<b>2,022,000</b>

<b>M R F D</b>	Tax Income	632,000
	Sales Tax	<u>10,000</u>
	<b>TOTAL</b>	<b>642,000</b>

<b>GRAND TOTAL - Revenues</b>	<b>4,958,774</b>
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<b>GRAND TOTAL - Expenses</b>	<b>4,958,000</b>
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**EXPENSES****SALARIES****1999****STAFF**

1	Chief	\$ 68,000.00
1	Assistant Chief	\$ 65,000.00
3	Deputy Chiefs	\$ 186,000.00
2	Administrative Secretaries	\$ 58,000.00
1	Secretary	\$ 21,000.00

**TOTAL****\$ 398,000.00****LINE**

3	Battalion Chiefs	\$ 165,000.00
15	Captains	\$ 735,000.00
15	Drivers	\$ 645,000.00
5	Firefighter III	\$ 195,000.00
5	Firefighter II	\$ 180,000.00
3	Firefighter I	\$ 99,000.00
3	Swing Firefighters	\$ 99,000.00
2	Captains Training	\$ 99,000.00

**TOTAL****\$ 2,226,000.00****TOTAL SALARIES****\$ 2,624,000.00****BENEFITS****\$ 1,312,000.00****TOTAL SALARIES & BENEFITS****\$ 3,936,000.00****OTHER EXPENSES**

<b>OPERATIONS</b>	<b>\$ 916,500.00</b>
<b>DEBT SERVICE (KRFD)</b>	<b>\$ 106,000.00</b>

**TOTAL EXPENSES****\$ 4,958,000.00**

## FIVE FULL TIME & TWO VOLUNTEER STATIONS

Stations M & O	\$ 125,000.00
Equipment M & O	\$ 150,000.00
Fire Prevention	\$ 10,000.00
Personnel Supplies	\$ 40,000.00
Training	\$ 45,000.00
Utilities	\$ 48,000.00
Computer	\$ 20,000.00
Dispatch	\$ 39,000.00
Legal	\$ 20,000.00
Accounting	\$ 7,000.00
Liability Insurance	\$ 36,000.00
Sick Leave (Buy Out)	\$ 25,000.00
Volunteer Stations	\$ 20,000.00
Equipment Purchases	\$ 45,000.00
Part Time (Volunteers)	\$ 250,000.00
Ambulance Services	\$ 6,500.00
Medical/Inoculations	\$ <u>30,000.00</u>
<b>TOTAL</b>	<b>\$ 916,500.00</b>